

Message Text

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ORIGIN NEA-10

INFO OCT-01 EUR-12 ISO-00 SIG-01 MMO-01 ERDA-05 AID-05
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FEAЕ-00 FPC-01
H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 NSCE-00
SSO-00 USIE-00 INRE-00 IO-13 DHA-02 IGA-02 NRC-05
SNM-02 DEAE-00 SSM-03 PER-01 CU-02 FRB-03 XMB-02
OPIC-03 LAB-04 SIL-01 /148 R

DRAFTED BY NEA/RA:JVMONTVILLE:BAM

APPROVED BY NEA:ALATHERTON,JR.

NEA/RA:SEPALMERJR

NEA/EX:JSCONNOLLYJR (DRAFT)

NEA:SSOBER (DRAFT)

NEA:ADUBS (DRAFT)

NEA/ARP:JTWINAM (DRAFT)

NEA/ARN:MDRAPER (DRAFT)

-----071710Z 058171 /45

O 071620Z MAR 77

FM SECSTATE WASHDC

TO ALL NEAR EASTERN AND SOUTH ASIAN DIPLOMATIC POSTS IMMEDIATE

USINT BAGHDAD IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L STATE 049794

FOR AMBASSADOR OR CHARGE FROM ATHERTON

E.O. 11652: GDS

TAGS: AMGT, PFOR, XF

SUBJECT: FY 79 NEA AREA SUPPLEMENT TO S/P BROAD TRENDS PAPER

REFS: (A) STATE 38338, (B) 38356

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1. THIS NEA TRENDS PAPER SUPPLEMENTS S/P'S BROAD TRENDS FORECAST CONVEYED IN REF A. AS LATTER NOTES IN PARA 12, MIDDLE EAST REGION WILL REMAIN NEAR TOP OF USG'S PRIORITY CONCERNS. FACT THAT SECRETARY'S FIRST OFFICIAL TRIP ABROAD WAS TO THAT REGION IS INDICATIVE. EFFORTS TO PROMOTE PEACE SETTLEMENT BETWEEN ISRAEL AND CONCERNED ARAB STATES WILL BE MAJOR U.S. PREOCCUPATION.

2. NEXT TO QUESTION OF PEACE SETTLEMENT, RELIABILITY OF OIL SUPPLIES AND FACT OF HIGH OIL PRICES ARE MOST CRUCIAL NEA PREOCCUPATIONS WITH OBVIOUS WORLDWIDE SIGNIFICANCE. S/P PAPER PROMINENTLY AND PROPERLY EMPHASIZED ASCENDANCY OF ECONOMIC DIPLOMACY IN U.S.'S FOREIGN POLICY. CERTAIN EUROPEAN ECONOMIES ARE PARTICULARLY VULNERABLE TO MIDDLE EAST INSTABILITY BECAUSE OF THEIR DEPENDENCE ON MIDDLE EAST OIL SUPPLIES, AMONG OTHER REASONS. BECAUSE QUINTUPLING OF OIL PRICES SINCE 1973 HAS CAUSED MASSIVE SHIFT IN INTER-NATIONAL LIQUIDITY TO MIDDLE EAST, SEVERAL NEA COUNTRIES PRESENT RAPIDLY EXPANDING MARKETS FOR EUROPEAN AND AMERICAN EXPORTS. THESE OIL-RICH COUNTRIES ARE ALSO CRITICAL SOURCE OF SHORT- AND LONG-TERM INVESTMENT CAPITAL TO THE WEST.

3. NEA AREA ALSO HAS SPECIAL LINK TO NORTH/SOUTH ISSUE SINCE REGION'S OIL PRODUCERS, MOST PROMINENTLY SAUDI ARABIA, PUBLICLY STRESS SOLIDARITY WITH NON-OIL LDC'S AND EFFORTS OF GROUP OF 77 TO EFFECT SIGNIFICANT RESOURCE TRANSFERS FROM NORTH TO SOUTH. BECAUSE OF THIS INTEREST OF CERTAIN COUNTRIES OF THE REGION, NEA POSTS WILL HAVE INCREASING RESPONSIBILITY FOR MONITORING HOST COUNTRY ACTIVITIES IN MULTILATERAL FORA LIKE UNGA, GATT, AND UNCTAD. POSTS WILL HAVE TO INCREASE CONSCIOUSNESS OF INTERRELATIONSHIPS OF BILATERAL AND MULTILATERAL INTERESTS AND THEIR CAPACITY TO ANALYZE THEM.

4. IT IS ALSO OBVIOUS THAT NEW ADMINISTRATION'S EMPHASIS ON ISSUES OF HUMAN RIGHTS, CONVENTIONAL ARMS TRANSFERS,
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AND NUCLEAR PROLIFERATION WILL BE MAJOR PREOCCUPATION OF NEA COUNTRIES IN BOTH MIDDLE EAST AND SOUTH ASIA. IF SOME-WHAT LESS DRAMATIC, SUCH AREAS AS ENVIRONMENT, SCIENCE, OCEAN AFFAIRS, NARCOTICS, AND POPULATION, ESPECIALLY THE LATTER TWO IN SOUTH AISA, WILL BE OF CONTINUING NEA CONCERN.

5. BEYOND CONNECTED FOREIGN POLICY OBJECTIVES OF ARAB-ISRAELI PEACE AND RELIABLE OIL SUPPLY, U.S. WILL CONTINUE TO SEEK EXPANDING SHARE OF THE NEA MARKET AND TO ENCOURAGE FLOW OF EXCESS LIQUIDITY TO U.S. INCREASING U.S. PETROLEUM IMPORTS MAKES RECYCLING OF PETRODOLLARS TO U.S. MORE AND MORE IMPORTANT. IN SUPPORT OF THIS POLICY, NEA POSTS WILL SEEK TO ENHANCE THE BROAD RANGE OF TRADITIONAL U.S. INTERESTS IN OUR BILATERAL RELATIONS WITH THE VARIOUS COUNTRIES OF THE REGION WITH EMPHASIS ON ECONOMIC AND COMMERCIAL ACTIVITY. SUCCESS IN ECONOMIC-COMMERCIAL AREA MAY REQUIRE EVEN GREATER POST RESOURCES IN PROTECTION AND WELFARE OF AMERICANS LIVING AND WORKING IN THE NEA REGION.

6. EMBASSIES CAIRO, TEL AVIV, DAMASCUS, AMMAN, BEIRUT, AND JIDDA WILL HAVE CONTINUING BURDEN OF SUPPORTING U.S. PEACE-MAKING EFFORTS. OUR POSTS IN ALGERIA, LIBYA, SAUDI ARABIA, IRAN, IRAQ AND THROUGHOUT THE PERSIAN GULF WILL CONTINUE TO PLAY IMPORTANT REPORTING, ANALYTICAL, AND NEGOTIATING ROLE IN SUPPORT OF U.S. ENERGY POLICIES.

7. ALTHOUGH SOUTH AISA POSTS HAVE COMMANDED RELATIVELY LESS ATTENTION IN NEA AREA BECAUSE OF FAVORABLE TRENDS TOWARD STABILIZATION AND DIMINISHED MAJOR POWER INVOLVEMENT, U.S. CONTINUES TO HAVE IMPORTANT INTERESTS IN SOUTH ASIA. IMPORTANCE OF RELATIONS WITH SRI LANKA IS CURRENTLY ENHANCED BECAUSE OF ITS CHAIRMANSHIP OF THE NON-ALIGNED CONFERENCE. PAKISTAN IS A MAJOR AREA OF U.S. DIPLOMATIC ACTIVITY BECAUSE OF OUR CONCERN WITH BOTH NUCLEAR PROLIFERATION AND CONVENTIONAL ARMS TRANSFERS. U.S. RELATIONS WITH

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INDIA, WHERE WE ALSO HAVE NUCLEAR PROBLEMS, HAVE IN RECENT YEARS ENTERED A STABLER, MORE MATURE AND CONSTRUCTIVE PHASE AND WE HOPE THIS TREND WILL CONTINUE.

8. WHETHER OR NOT SOUTH ASIA WILL REQUIRE INCREASED U.S. ATTENTION IN THE FUTURE WILL DEPEND TO A LARGE EXTENT ON WHETHER THE EXISTING TREND TOWARD STABILIZATION AND NON-ALIGNMENT IN THE REGION IS CONTINUED AND COUNTRIES' ABILITY TO ABSORB EFFECTIVELY INCREASED ECONOMIC ASSISTANCE GROWS. BANGLADESH WILL REMAIN LARGEST SINGLE QUESTION MARK IN THIS RESPECT. HUMAN RIGHTS CONSIDERATIONS MAY HAVE A SIGNIFICANT EFFECT ON THE NATURE OF BILATERAL RELATIONS WITH SOUTH ASIAN COUNTRIES.

9. THIS EXERCISE SUPERSEDES THE COUNTRY GUIDANCE PAPER OPERATION ON WHICH WE HAVE WORKED THE LAST YEAR OR SO. TO ASSIST IN PREPARATION OF YOUR POLICY AND RESOURCE ASSESSMENT, PERTINENT COUNTRY DIRECTORATES ARE POUCHING LATEST VERSIONS OF THESE PAPERS, WHICH ARE IN VARYING STAGES OF COMPLETION.

10. PLEASE KEEP YOUR ASSESSMENTS AS BRIEF AS POSSIBLE. GENERALLY THEY SHOULD BE IN THE RANGE OF 5-10 SINGLE-SPACED PAGES.

11. FOR BAGHDAD: YOUR ASSESSMENT SHOULD, OF COURSE, TREAT POSSIBILITY OF RESTORING DIPLOMATIC RELATIONS BY FY 79.

12. ARP WILL PROVIDE ASSESSMENT FOR PDRY.

13. FOR POSTS WITH MORE THAN 20 STATE DIRECT AMERICAN
POSITIONS (REF B, PARA IIIC) "TARGET FIGURES" WILL BE
PROVIDED SHORTLY BY NEA/EX.
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Message Attributes

Automatic Decaptoning: X
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Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, INTELLIGENCE ASSESSMENTS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE049794
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Document Unique ID: 00
Drafter: JVMONTVILLE:BAM
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Executive Order: GS
Errors: N/A
Expiration:
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Format: TEL
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3185741
Secure: OPEN
Status: NATIVE
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TAGS: AMGT, PFOR, XF
To: NEA POSTS BAGHDAD MULTIPLE
Type: TE
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